

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 AEC-11 AID-05 CEA-02 CIAE-00 CIEP-03

COME-00 DODE-00 EB-12 FPC-01 H-03 INR-11 INT-08 L-03

NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01 SCI-06

SP-03 SS-20 STR-08 TRSE-00 FRB-03 FEA-02 OPIC-12

SSO-00 INRE-00 NSCE-00 PA-04 PRS-01 USIE-00 DRC-01

/157 W

----- 006303

O R 042247Z OCT 74

FM AMEMBASSY QUITO

TO SECSTATE WASHDC IMMEDIATE 2742

INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 6599

E.O. 11652: GDS

TAGS: ENRG, EINV, EC

SUBJECT: TEXACO-GULF PROBLEMS

REF: QUITO 6559

1. GULF VP DIAZ GAVE EMBASSY SOME ADDITIONAL DETAIL ON MEETING AND PROBLEM REPORTED REFTEL. HE SAID THE COMPANIES MAY HAVE AN ANSWER FOR GOE BY 5 PM DEADLINE OCTOBER 4 BUT MORE LIKELY THEY WILL ASK FOR AN EXTENSION OF TIME. HE SAID IT WAS CLEARLY IMPLIED BY CABEZAS AT OCTOBER 2 MEETING THAT BY AGREEING TO A BUYBACK PRICE ON THE ORDER OF 95 PERCENT OF REFERENCE PRICE, THE COMPANIES WOULD NOT HAVE TO FACE THE 3.5 PERCENT TAX/ROYALTY INCREASE MANDATED BY OPEC. DIAZ DID NOT THINK IT WOULD BE POSSIBLE TO GET THIS FROM THE GOE IN WRITING, HOWEVER. ASKED WHETHER THERE WAS ANY MENTION OF AN INCREASE IN CEPE PARTICIPATION BEYOND 25 PERCENT, DIAZ SAID NO. THE COMPANIES TAKE AS AUTHORITATIVE THE SHORT STATEMENT OF SECRETARY GENERAL OF

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ADMINISTRATION AQUIRRE IN OCTOBER 3 PRESS TO EFFECT

THAT GOE POLICY IS TO ACQUIRE 51 PERCENT OF TEXACO-
GULF BUT IT IS NOT POSSIBLE TO GO AHEAD WITH A NEW
PURCHASE WHILE THE INITIAL 25 PERCENT PURCHASE IS
INCOMPLETE. DIAZ CONFIRMED THAT COMPANIES WILL HAVE TO
TAKE INTO ACCOUNT IN FORMULATING POSITION ON GOE BUYBACK
DEMAND THE PROSPECT THAT THE BUYBACK CRUDE PROPORTION
WILL INCREASE OVER TIME WHILE TAXABLE EQUITY CRUDE
DECREASES.
BREWSTER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, DISPUTES, BUSINESS FIRMS, CONTRACTS, DEBTS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CollinP0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
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Errors: N/A
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Handling Restrictions: n/a
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US Department of State
EO Systematic Review
30 JUN 2005

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To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005